

**AGENDA:** January 27, 2004

**7.2**

**CATEGORY:** New Business

**DEPT.:** Public Works

**TITLE:** Surplus Land Sales

### **RECOMMENDATION**

1. Declare the following City-owned properties surplus:
  - 129 East Evelyn Avenue, south side of Evelyn Avenue between Pioneer Way and Kitty Hawk Way.
  - Vacant lot on the southeast corner of Granada Drive and Wright Avenue.
  - Vacant lot on the north side of Wright Avenue between Granada Drive and Beatrice Street.
  - Vacant lot at the southwest corner of Rengstorff and University Avenues.
2. Authorize staff to order appraisals using a certified independent appraiser, set the minimum bid amounts, offer the properties for sale at fair-market value and sell pursuant to current City policies, with final sale subject to approval by the City Council.

### **FISCAL IMPACT**

Based on preliminary analysis of the potential sale of the properties listed above, staff anticipates sale revenues to total approximately \$1.0 million to \$1.3 million. Appraisal of each property will be necessary to determine the desired minimum low bids.

Staff expects approximately \$50,000 to \$60,000 to be deducted from the total amount of sale proceeds to cover the City's costs for appraisals, land surveys, marketing and escrow fees.

### **BACKGROUND AND ANALYSIS**

Given the current economic downturn, the sale of surplus City land will generate much-needed funds for City use. The properties do not have potential for beneficial City use and, if authorized, the sale of each parcel will be in accordance with the City surplus land policy to promote neighborhood regeneration and development. Details on each property are

provided below. Photos and location maps for each property are included as Exhibits A through D, respectively.

129 East Evelyn Avenue

This property consists of a 1,107 square foot, single-family home on a 5,350 square foot lot. The City acquired the property in 2002 to facilitate the Evelyn Avenue widening project. The home is in relatively good condition and could be utilized by a potential buyer as either a primary residence or rental property. Based on the purchase price of the home, staff estimates the resale value to be approximately \$450,000.

Granada Drive/Wright Avenue

The City acquired title to this 3,650 square foot remnant property in 1966 as part of a street improvement project. The parcel has some challenging development constraints due to its small size, elongated shape and corner location. However, Community Development Department staff indicated it can be developed with one single-family home. An independent appraiser has determined there is a market for this property, and the City might expect to receive \$50 per square foot or approximately \$180,000.

Wright Avenue

The Wright Avenue parcel was acquired in 1968, also for street improvements. The lot is currently vacant and given its larger size, 9,200 square feet, Community Development Department staff believes either a single-family home or a two-unit dwelling could be constructed on the site.

Habitat for Humanity has expressed interest in this parcel over the last couple of years. Their most recent inquiry was in November 2003 when they met with the Zoning Administrator about the development potential of the parcel. City staff is unaware if Habitat for Humanity has made a final decision to bid on this parcel.

In addition to the appraisal of this property, a land survey will be necessary. The existing recorded legal description is inaccurate, and a new legal description will need to be recorded with the Santa Clara County Recorder's Office prior to the property being offered for sale.

Based on the estimated value of the Granada Drive/Wright Avenue property, staff estimates a sale price of approximately \$460,000.

Rengstorff Avenue/University Avenue

This 5,920 square foot lot is located at the southwest corner of University and Rengstorff Avenues and was purchased in 1966 for a street widening project.

One single-family home can be constructed on the subject site. However, the presence of several Heritage-size trees will necessitate a Heritage Tree Removal Permit in addition to the required building permit to construct the home.

This property will also need to be surveyed as the recorded legal description does not describe the parcel. As with the Wright Avenue parcel, the new legal description will be recorded with the Santa Clara County Recorder's Office prior to offering the property for sale.

Again, based on the value of the Granada Drive/Wright Avenue property, staff anticipates a sale price of approximately \$290,000.

**NEXT STEPS**

If Council authorizes staff to offer the properties for sale, staff will contract with a certified independent appraiser to determine the fair-market value for each property and a land surveyor as needed. Marketing will commence after the minimum low bids have been determined.

Staff will return to the City Council in late summer or early fall for acceptance or rejection of the apparent highest responsible bid. Although staff anticipates offering all four properties for sale at one time, unforeseen circumstances, such as title or survey matters, have the potential to delay the sale of one or more properties. In this case, staff will proceed with the sale of the remaining properties and offer the delayed parcel(s) at a later date in the 2004-05 fiscal year.

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**PUBLIC NOTICING**

Residents and property owners within 300', or more, of each parcel have been notified of this Council meeting. Maps of each notification area are included as Exhibit E.

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PS/9/CAM  
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Attachments: Exhibit A: 129 East Evelyn Avenue Property Profile Sheet  
Exhibit B: Granada/Wright Property Profile Sheet  
Exhibit C: Wright Avenue Property Profile Sheet  
Exhibit D: Rengstorff/University Property Profile Sheet  
Exhibit E: Notification Areas

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ZA, SDZA, ASM, SACA—Emerson, AFASD, TPM, RPM, SAA—Skinner, File